

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

CONFIDENTIAL

FORM 3

AMENDED REPORT ☐
(highlight changes)

APPLICATION FOR PERMIT TO DRILL				5. MINERAL LEASE NO: Fee	6. SURFACE: Fee
1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>				7. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input type="checkbox"/> OTHER <u>CBM</u> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>				8. UNIT or CA AGREEMENT NAME:	
2. NAME OF OPERATOR: Pioneer Natural Resources USA, Inc.				9. WELL NAME and NUMBER: Jensen 34C-9-12-10	
3. ADDRESS OF OPERATOR: 1401 17th Street - Ste 1200 CITY <u>Denver</u> STATE <u>CO</u> ZIP <u>80202</u>			PHONE NUMBER: (303) 675-2663	10. FIELD AND POOL, OR WILDCAT: Castlegate	
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 801' FSL, 1983' FEL <u>516792X</u> <u>39.793261</u> AT PROPOSED PRODUCING ZONE: <u>Same</u> <u>4404620Y</u> <u>-110.863872</u>				11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSE 9 12S 10E S	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: Approximately 10.3 miles north of Helper, UT				12. COUNTY: Carbon	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 801'		16. NUMBER OF ACRES IN LEASE: 2700		17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 160	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) Approximately 1076'		19. PROPOSED DEPTH: 9,000		20. BOND DESCRIPTION: UT Bond 104319463	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): GL 7395		22. APPROXIMATE DATE WORK WILL START: Upon Approval		23. ESTIMATED DURATION: 12 Days	

24. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT	SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT
12-1/4	8-5/8 H40 28#	600	Class G 416 sx 1.19 cf/sx 12.5 ppg
7-7/8	5-1/2 K55 17#	9,000	Lead: 35:65 Poz Class G 817 sx 1.19 cf/sx 12.5 ppg
			Tail: 50:50 Poz Class G 1109 sx 1.19 cf/sx 12.5 ppg

25. ATTACHMENTS

VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:

- ☒ WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER
☒ EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER

- ☒ COMPLETE DRILLING PLAN
☐ FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER

NAME (PLEASE PRINT) Joy A. Ziegler

TITLE Senior Engineering Tech

SIGNATURE

DATE 3/26/2009

(This space for State use only)

Approved by the
Utah Division of
Oil, Gas and Mining

API NUMBER ASSIGNED: 43-007-31503

APPROVAL

Date: 03-27-09

By: [Signature]

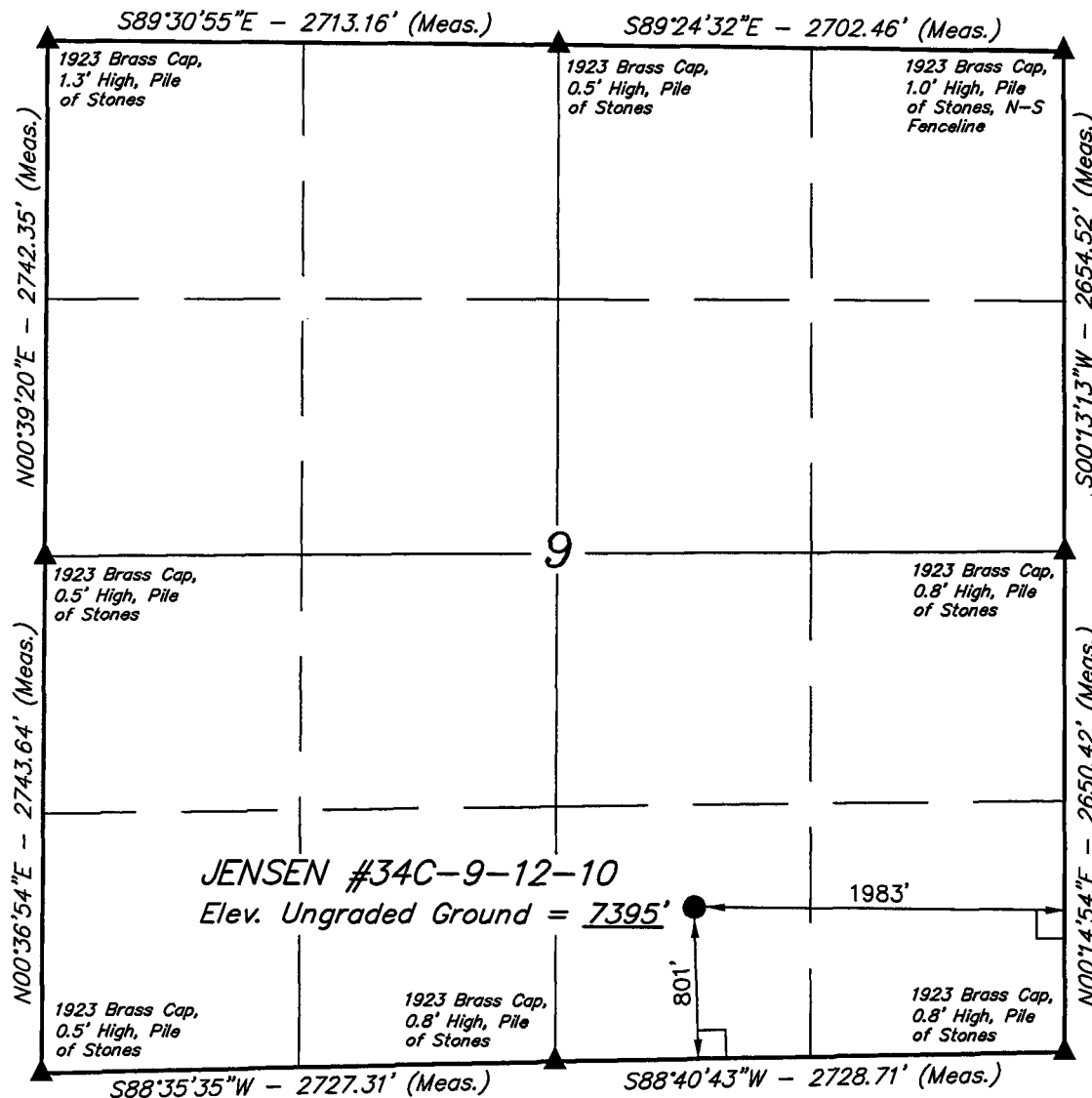
(See Instructions on Reverse Side)

RECEIVED

APR 13 2009

DIV. OF OIL, GAS & MINING

T12S, R10E, S.L.B.&M.



LEGEND:

- └─┘ = 90° SYMBOL
- = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.

(NAD 83)

LATITUDE = 39°47'35.53" (39.793203)

LONGITUDE = 110°48'16.72" (110.804644)

(NAD 27)

LATITUDE = 39°47'35.67" (39.793242)

LONGITUDE = 110°48'14.15" (110.803931)

PIONEER NATURAL RESOURCES USA, INC.

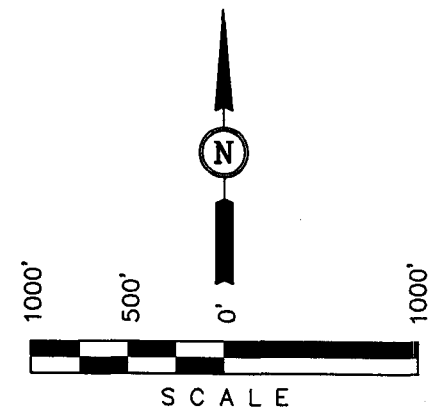
Well location, JENSEN #34C-9-12-10, located as shown in the SW 1/4 SE 1/4 of Section 9, T12S, R10E, S.L.B.&M., Carbon County, Utah.

BASIS OF ELEVATION

BENCH MARK LOCATED IN THE SW 1/4 NE 1/4 OF SECTION 10, T12S, R10E, S.L.B.&M. TAKEN FROM THE MATTS SUMMIT, QUADRANGLE, UTAH, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 7131 FEET.

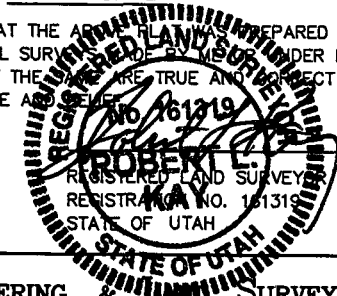
BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.



CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEY BY ME UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.



UINTAH ENGINEERING & SURVEYING
85 SOUTH 200 EAST - VERNAL, UTAH 84078
(435) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: 01-13-09	DATE DRAWN: 02-03-09
PARTY N.H. T.P. C.C.	REFERENCES G.L.O. PLAT	
WEATHER COLD	FILE PIONEER NATURAL RESOURCES USA, INC.	

Application for Permit to Drill
Pioneer Natural Resources USA, Inc.
Jensen 34C-9-12-10
801' FSL, 1983' FEL
SWSE Sec. 9, T12S-R10E, S.L.B.&M
Carbon County, Utah

DRILLING PROGRAM

Page 1

1. Estimated Tops/Geologic Markers

The estimated tops of important geologic markers are as follows:

Formation	Depth	Subsea
Colton	0'	7432'
Price River	2335'	5097'
Castlegate	2955'	4447'
Blackhawk	3680'	3712'
Kenilworth	4415'	3016'
Aberdeen	4585'	2987'
Emery	4885'	2525'
TD	9000'	-1605'

2. Estimated Depths and Names of Anticipated Water, Oil, Gas or other Minerals Bearing Formations

Substance	Formation	Depth
Coals / Tight Gas Sd	Blackhawk	3680'
Sandstone / Gas	Price River	2535'
Sandstone / Gas	Castlegate	2955'
Coals / Tight Gas SS	Emery	4885'

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Carbon County, Utah

DRILLING PROGRAM
Page 2

3. Well Control Equipment & Testing Procedures

Pioneer Natural Resources USA, Inc's minimum specifications for pressure control equipment are as follows:

Ram Type: 11" Hydraulic double, 3000 psi w.p.

Pioneer Natural Resources USA, Inc will comply with all requirements pertaining to well control as listed in Rule R649-3-7 of the Utah Division of Oil, Gas & Mining.

The size and rating of the BOP stack is shown on the attached diagram.

4. Casing Program

The proposed casing program will be as follows:

Purpose	Depth	Hole Size	O.D.	Weight	Grade	Type	New/Used
Surface	0-600'	12-1/4"	8-5/8"	28#	H-40	STC	New
Production	0-9000'	7-7/8"	5-1/2"	17#	K55	LTC	New

Casing design subject to revision based on geologic conditions encountered

5. Cement Program

Surface	Type and Amount
0-600'	416 Sx Class G, 1.19cuft/sx, 12.5 ppg
Production	Type and Amount
500'-9000'	Lead: 817 sx 35:65 Poz Class G, 1.19 cf/sx, 12.5 ppg Tail: 1109 sx 50:50 Poz Class G, 1.19 cf/sx, 12.5 ppg

Note: Actual cement volume to be based upon caliper log

Application for Permit to Drill
Pioneer Natural Resources USA, Inc.
Jensen 34C-9-12-10
801' FSL, 1983' FEL
SWSE Sec. 9, T12S-R10E, S.L.B.&M
Carbon County, Utah

DRILLING PROGRAM
Page 3

6. Drilling Fluids

The proposed circulating mediums to be employed in drilling are as follows:

Interval	Mud Type	Mud Wt.	Visc.	F/L
0'-600'	Air			N/C
600'-835'	Mist			N/C
835'-7750'	Aerated Fluid			
7750'-9000'	Aerated Water	8.6	28	8

7. Testing, Logging and Coring

The anticipated type and amount of testing, logging and coring are as follows:

- a. No drill stem tests are anticipated
- b. The logging program will consist of a Triple Combo Hi Res log to be run from TD to surface.
- c. Core the Emery Coals from 4885-7885'

8. Anticipated Pressures and H₂S

- a. Normal pressures and temperatures are expected in the objective formation. A maximum bottom hole pressure of 2150 psi is expected. A maximum bottom hole temperature of 145° Fahrenheit is anticipated. Sour gas (H₂S) is not anticipated.

9. Water Source

- a. Water will be trucked from Pioneer's Central Production Facility located in Section 11, T12S-R10E under Water Right #94-4983.

Application for Permit to Drill
Pioneer Natural Resources USA, Inc.
Jensen 34C-9-12-10
801' FSL, 1983' FEL
SWSE Sec. 9, T12S-R10E, S.L.B.&M
Carbon County, Utah

DRILLING PROGRAM

Page 4

10. **Other Information**

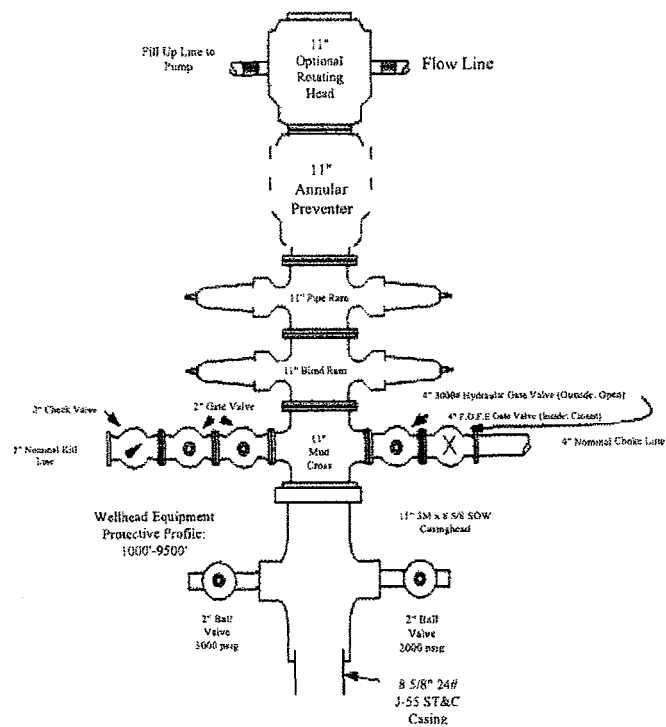
- a. Drilling is planned to commence upon approval of this application.
- b. It is anticipated that the drilling of this well will take approximately 12 days.
- c. Lining of the reserve pit will be done if deemed necessary by the Utah Division of Oil, Gas, and Minerals.
- d. At the end of drilling operations the location will be reclaimed and re-seeded as requested by the surface owner.

Surface Owner

Dix Jensen
c/o James Jensen
2961 Caitland Court
Salt Lake City, UT 84121

James Jensen Cell: 801-560-3800
Home: 801-943-8800

**Pioneer Minimum Class 3 Annular
Blow-Out Preventer Requirements
All 3000 PSI WP Equipment
(Except Casinghead & Spools as Noted
Below**



PIONEER

NATURAL RESOURCES

March 27, 2009

Pioneer Natural Resources USA, Inc.
1401 17th Street, Suite 1200
Denver, Colorado 80202
Tel: (303) 298-8100 Fax: (303) 298-7800

Utah Division of Oil, Gas and Mining
P. O. Box 145801
Salt Lake City, Utah 84114-5801

Attn: Brad Hill
Permitting Manager

RE: Verification of Surface Use Agreement
Jensen 34C-9-12-10
T12S-R10E-Sec. 9: SW/4SE/4
Carbon County, Utah

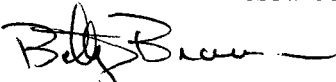

Gentlemen:

Pioneer Natural Resources USA, Inc.'s (Pioneer) predecessor in interest Evergreen Resources, Inc., and James T. Jensen, Jerry Jensen and Dix Jensen (hereinafter collectively referred to as the "Jensens") entered into a global Access, Surface Damage and Use Agreement on July 12, 2004, covering all lands in Carbon County, Utah, in which the Jensen's owned the surface estate, as further described on Exhibit "A" attached hereto. Prior to the commencement of any field activity related to a well, Pioneer is to submit a plat designating the location of the Well and related facilities to the Jensens. Pioneer has mailed the Jensens surveys showing the proposed location, facilities and the road and pipeline access for the Jensen 34C-9-12-10 well. Verbal approval was received from James Jensen.

I certify that there is a global Access, Surface Damage and Use Agreement in place with the Jensens covering their surface estate in Carbon County, Utah and verbal approval has been received for the Jensen 34C-9-12-10 well.

Please consider this letter as sufficient notification that there is a surface use agreement in place and proceed with the approval of the APD. If you have any questions concerning the above, please contact Sharon Logan at 303-675-2691 at your earliest convenience.

Very truly yours,
Pioneer Natural Resources USA, Inc.


Betty Brownson
Attorney-in-Fact 

Attachment

EXHIBIT "A"

Attached to and made a part of that certain Access, Surface Damage and Easement Agreement dated July 12, 2004 by and between James T. Jensen, Jerry Jensen, and Dix Jensen, Owners, and Evergreen Resources, Inc., Operator.

This exhibit is intended to cover all lands in Carbon County, Utah, in which Owner owns the surface estate, including but not limited to the following lands:

Township 12 South, Range 9 East

Section 1: W/2SE/4, S/2SW/4

Section 2: Lots 1, 2, 3, 4, N/2SW/4, SE/4

Township 12 South, Range 10 East

Section 3: SW/4, W/2SE/4

Section 4: Lots 1, 2, 3, 4, S/2

Section 5: Lots 2, 3, 4, SW/4, NW/4SE/4, S/2SE/4

Section 6: Lots 1, 2, W/2SW/4, SE/4

Section 7: Lot 3, E/2SW/4, SE/4, N/2NE/4

Section 8: N/2N/2, S/2

Section 9: N/2N/2, SE/4NE/4, S/2

Section 10: S/2NW/4, S/2, NE/4, NW/4NW/4

Section 15: W/2NE/4, NE/4SW/4, SW/4SW/4

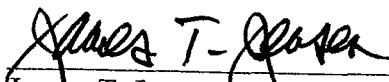
Section 17: N/2, N/2S/2, SW/4SW/4, SE/4SE/4

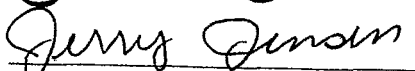
Section 18: Lot 1, NE/4NW/4, NE/4, N/2SE/4, SE/4SE/4

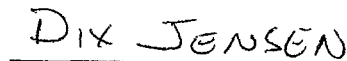
Section 19: N/2

Section 20: N/2

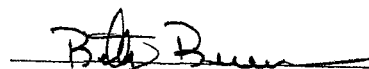

Acknowledged for Identification:


James T. Jensen


Jerry Jensen


Dix Jensen

Pioneer Natural Resources USA, Inc.
successor in interest to Evergreen Resources, Inc.


Betty Brownson, Attorney-in-Fact 

PIONEER NATURAL RESOURCES USA, INC.

JENSEN #34C-9-12-10

LOCATED IN CARBON COUNTY, UTAH
SECTION 9, T12S, R10E, S.L.B.&M.

CONFIDENTIAL



PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: SOUTHWESTERLY



- Since 1964 -

UELS Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

LOCATION PHOTOS

01 30 09
MONTH DAY YEAR

PHOTO

TAKEN BY: N.H.

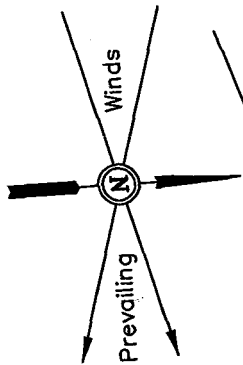
DRAWN BY: J.H.

REVISED: 00-00-00

PIONEER NATURAL RESOURCES USA, INC.

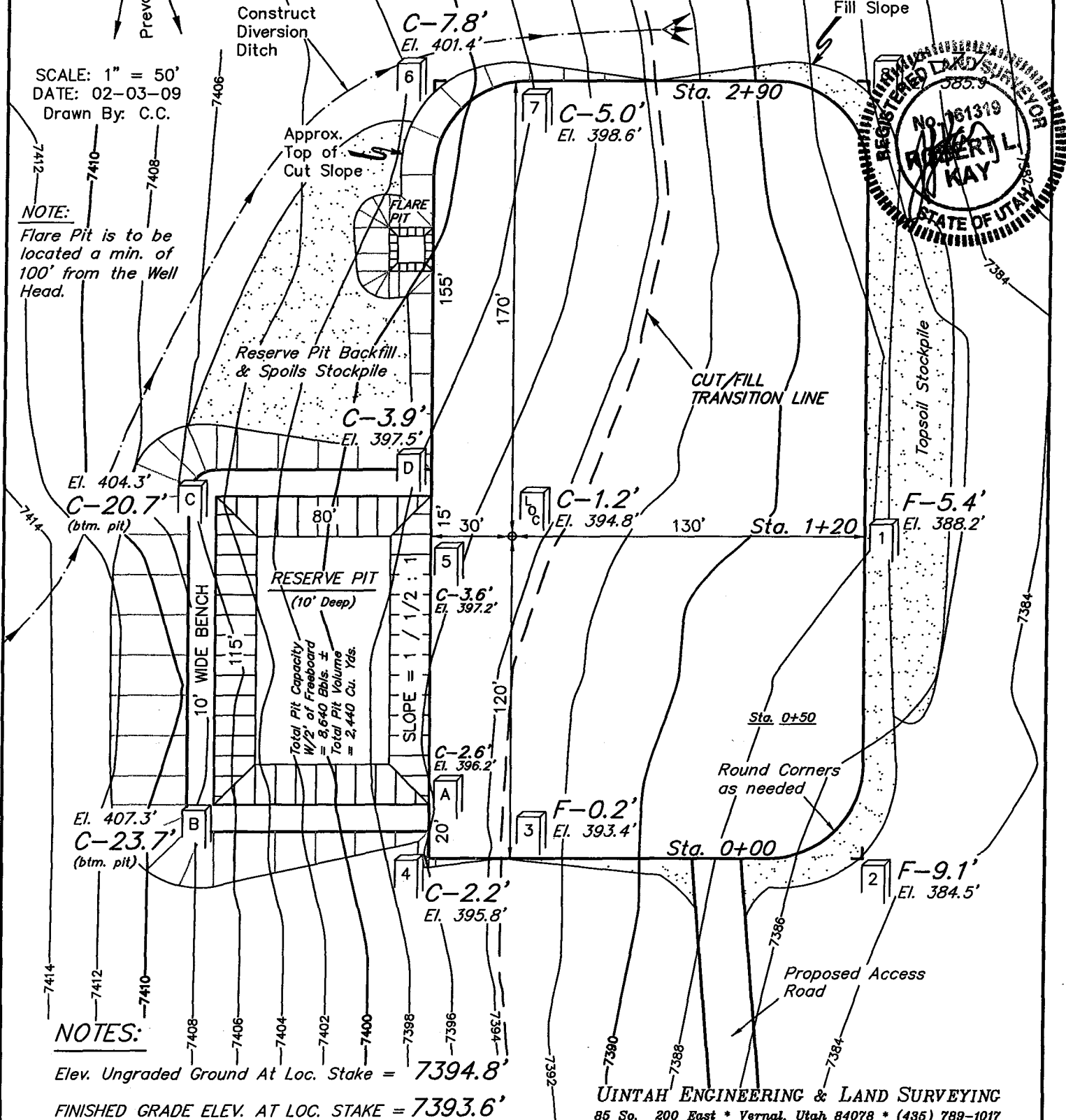
FIGURE #1

LOCATION LAYOUT FOR
JENSEN #34C-9-12-10
SECTION 9, T12S, R10E, S.L.B.&M.
801' FSL 1983' FEL



SCALE: 1" = 50'
DATE: 02-03-09
Drawn By: C.C.

NOTE:
Flare Pit is to be located a min. of 100' from the Well Head.



NOTES:

Elev. Ungraded Ground At Loc. Stake = 7394.8'

FINISHED GRADE ELEV. AT LOC. STAKE = 7393.6'

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017

PIONEER NATURAL RESOURCES USA, INC.

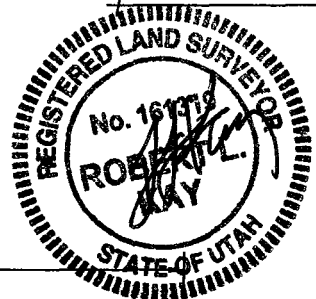
FIGURE #2

TYPICAL CROSS SECTIONS FOR

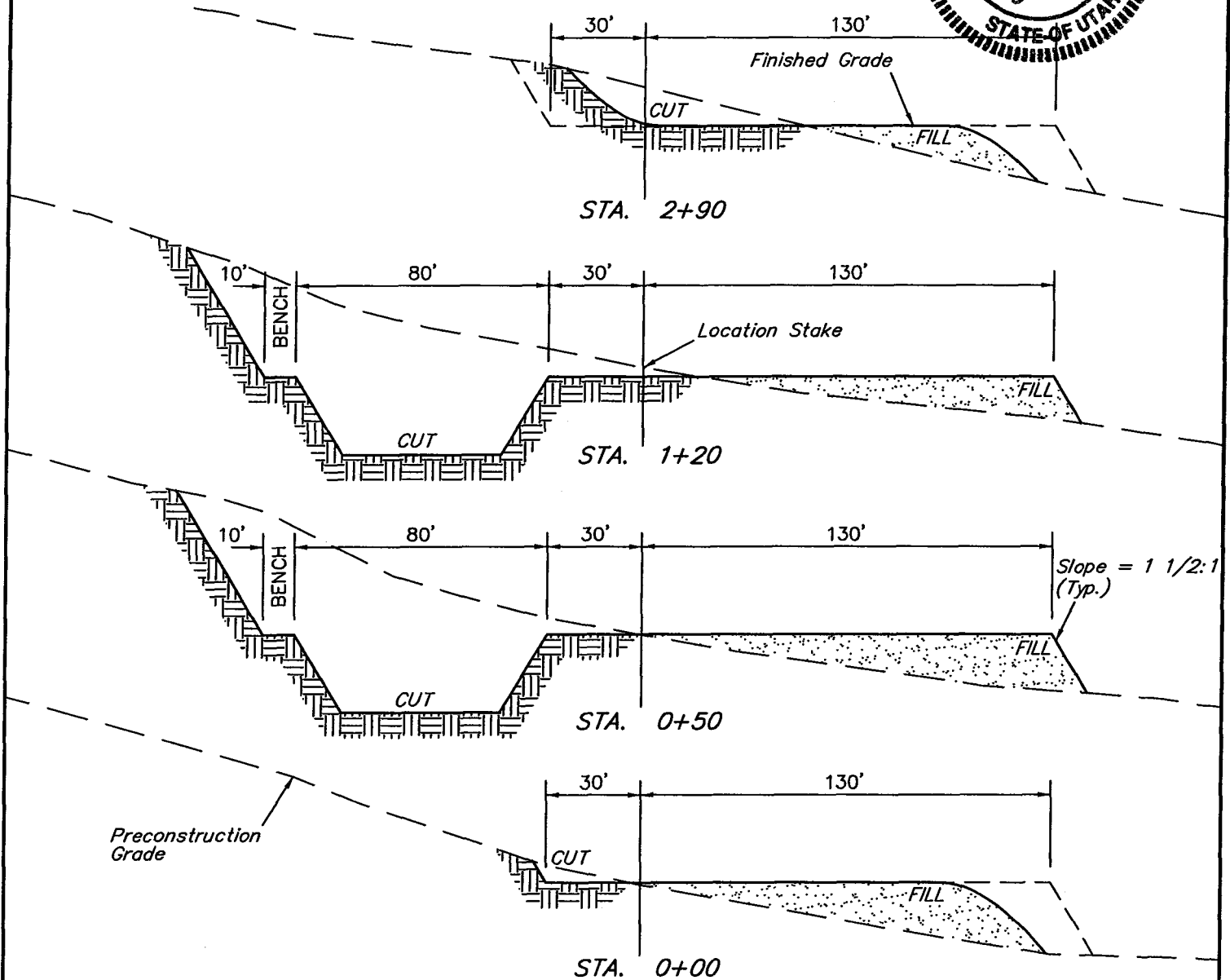
JENSEN #34C-9-12-10

SECTION 9, T12S, R10E, S.L.B.&M.

801' FSL 1983' FEL



1" = 20'
X-Section
Scale
1" = 50'
DATE: 02-03-09
Drawn By: C.C.



NOTE:

Topsoil should not be Stripped Below Finished Grade on Substructure Area.

APPROXIMATE ACREAGES

WELL SITE DISTURBANCE = ±1.855 ACRES
ACCESS ROAD DISTURBANCE = ±0.407 ACRES
PIPELINE DISTURBANCE = ±0.700 ACRES
TOTAL = ±2.962 ACRES

* NOTE:

FILL QUANTITY INCLUDES 5% FOR COMPACTION

APPROXIMATE YARDAGES

(6") Topsoil Stripping = 1,380 Cu. Yds.
Remaining Location = 8,540 Cu. Yds.
TOTAL CUT = 9,920 CU.YDS.
FILL = 5,080 CU.YDS.

EXCESS MATERIAL = 4,840 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.) = 2,600 Cu. Yds.
EXCESS UNBALANCE (After Interim Rehabilitation) = 2,240 Cu. Yds.

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017

PIONEER NATURAL RESOURCES USA, INC.

FIGURE #3

TYPICAL RIG LAYOUT FOR

JENSEN #34C-9-12-10
SECTION 9, T12S, R10E, S.L.B.&M.
801' FSL 1983' FEL

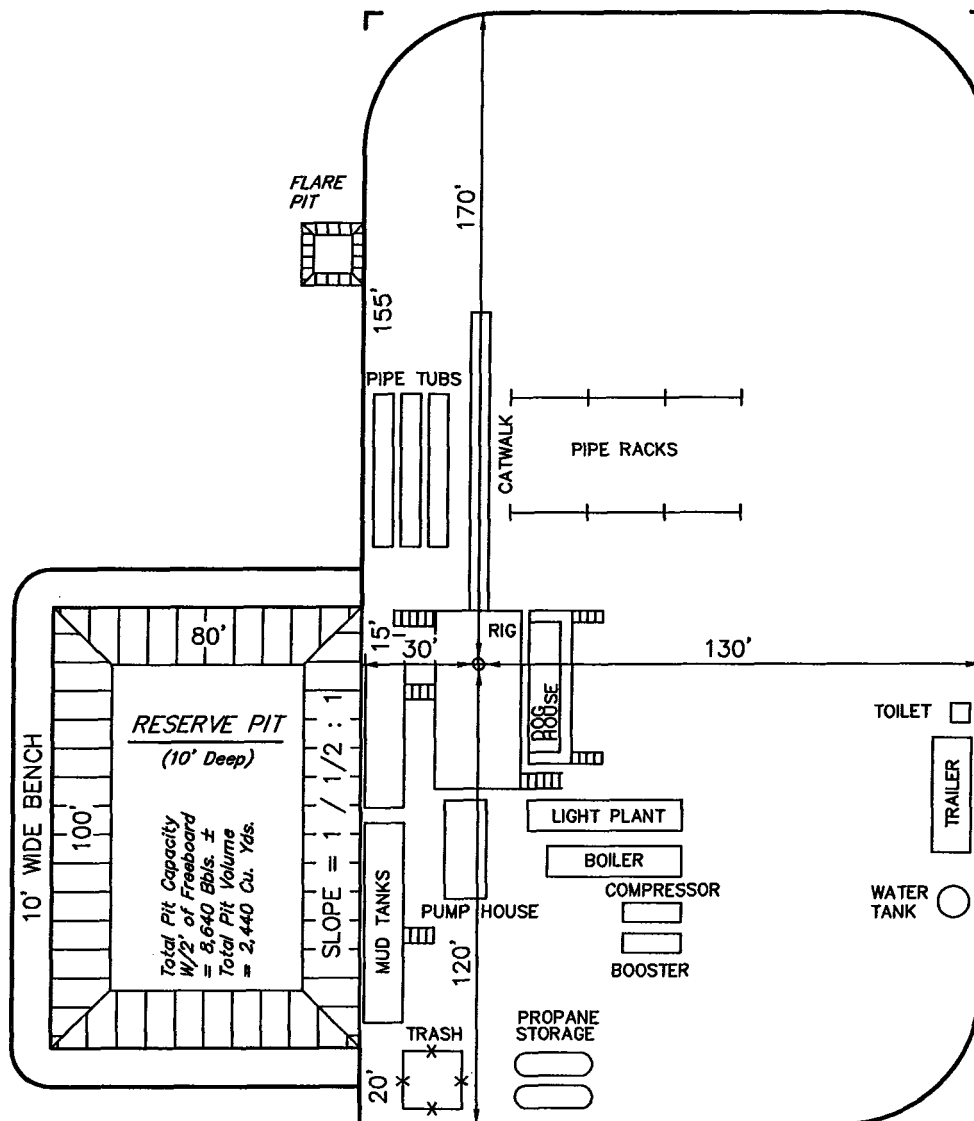


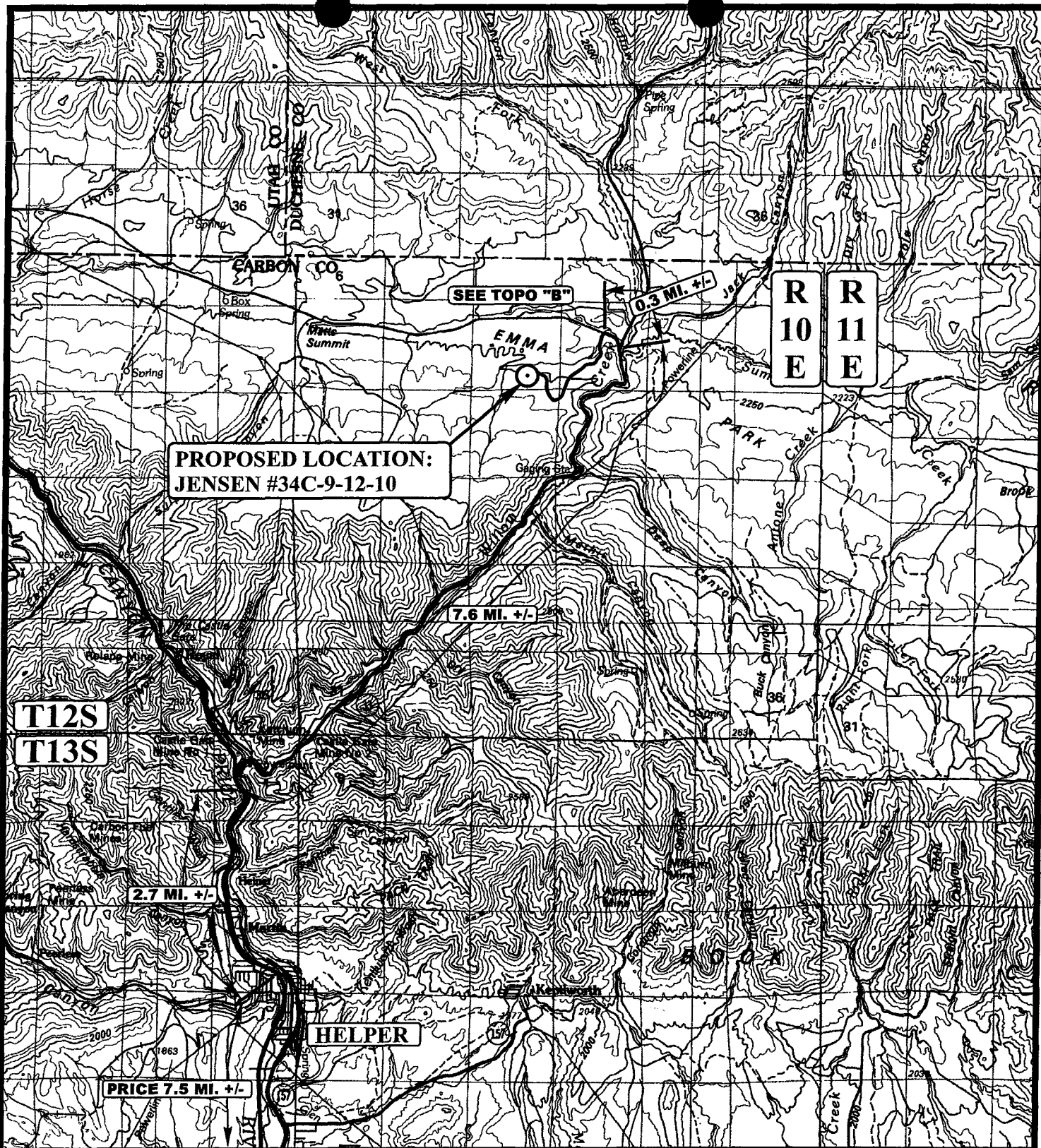
SCALE: 1" = 50'
DATE: 02-03-09
Drawn By: C.C.



NOTE:

Flare Pit is to be located a min. of 100' from the Well Head.





LEGEND:

○ PROPOSED LOCATION



PIONEER NATURAL RESOURCES USA, INC.

JENSEN #34C-9-12-10
SECTION 9, T12S, R10E, S.L.B.&M.
801' FSL 1983' FEL



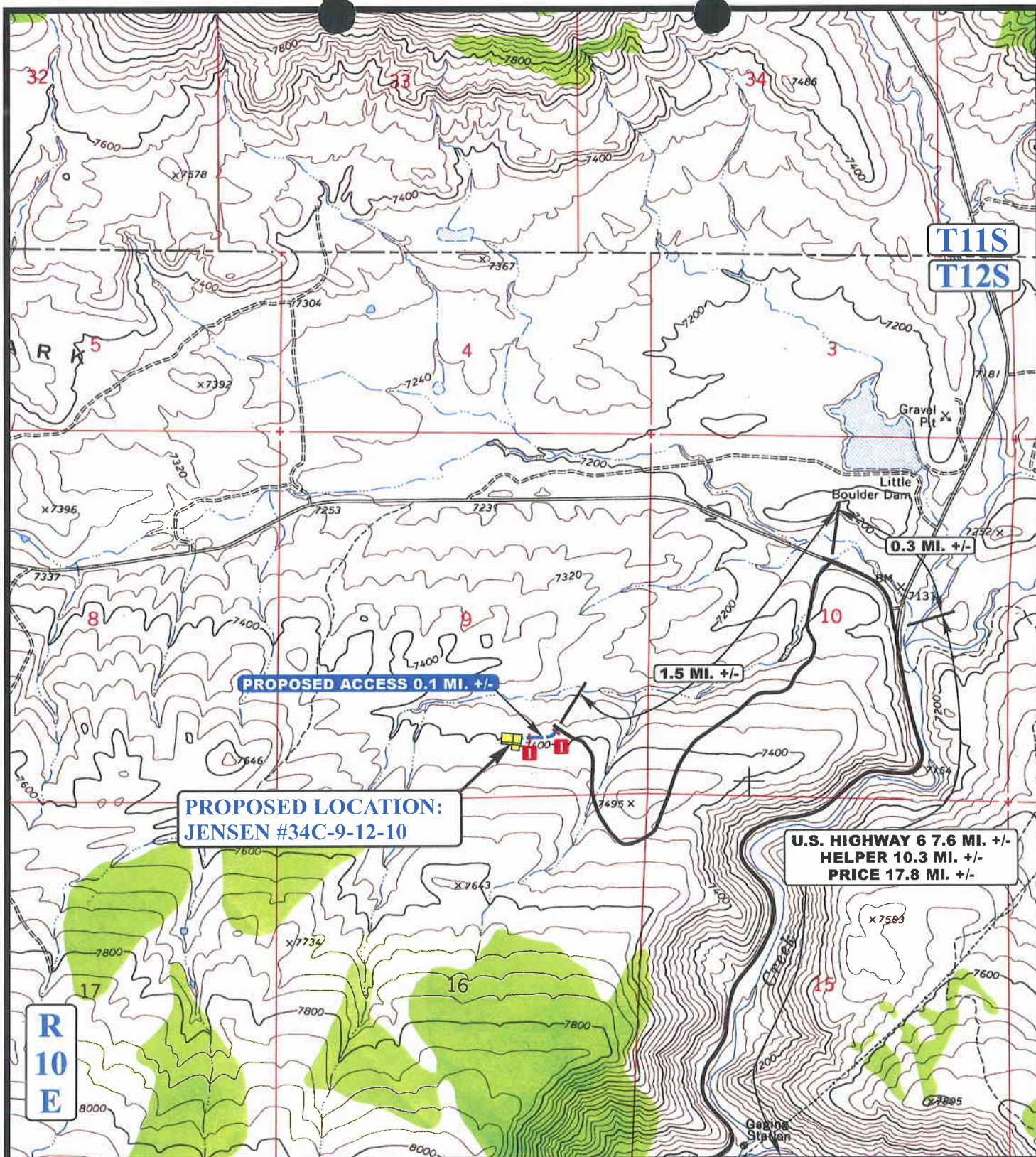
Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC
MAP

01 30 09
MONTH DAY YEAR

SCALE: 1:100,000 DRAWN BY: J.H. REVISED: 00-00-00





LEGEND:

- EXISTING ROAD
- - - PROPOSED ACCESS ROAD
- X 18" CMP REQUIRED



PIONEER NATURAL RESOURCES USA, INC.

JENSEN #34C-9-12-10
SECTION 9, T12S, R10E, S.L.B.&M.
801' FSL 1983' FEL



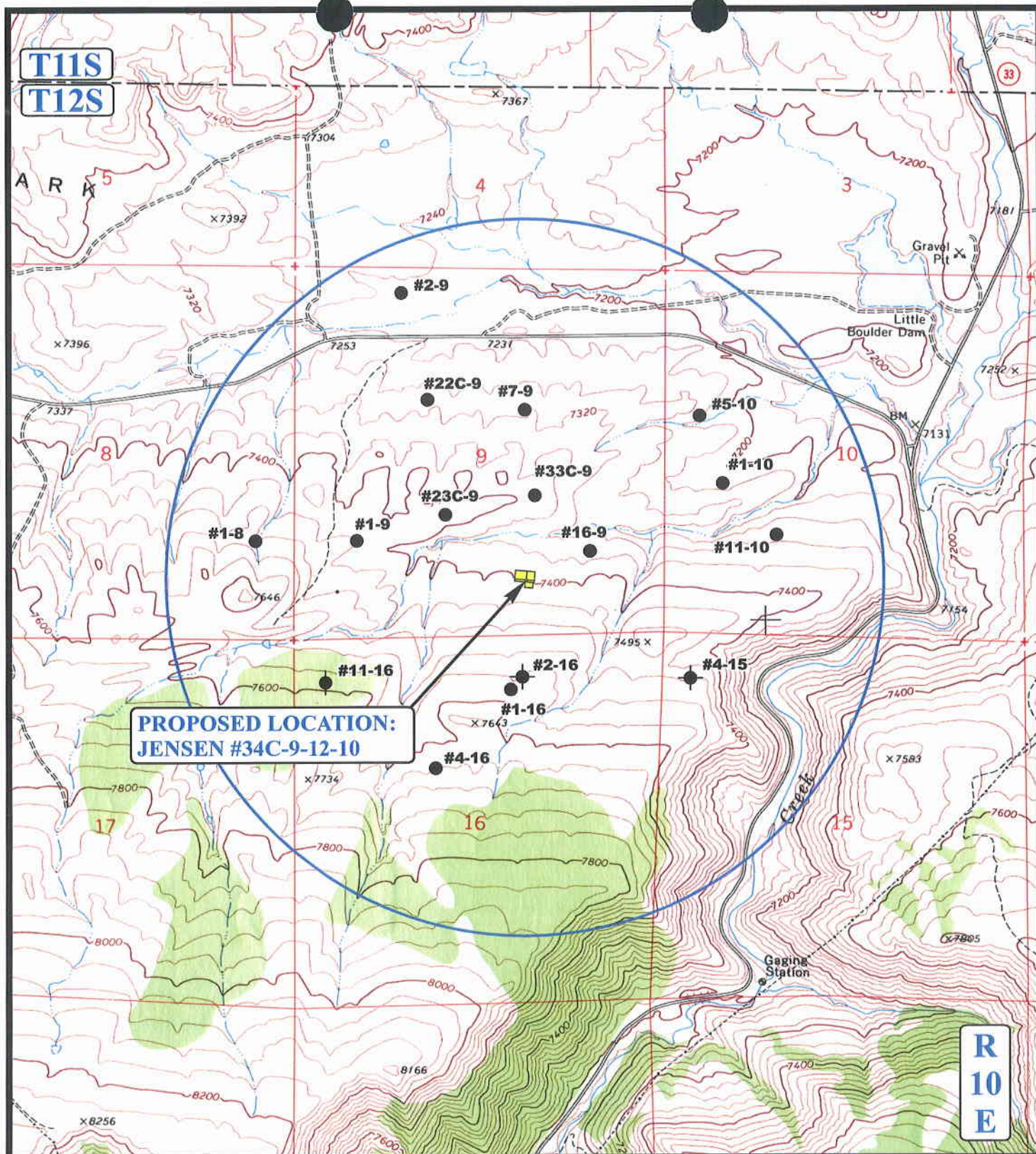
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 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC
MAP

01 30 09
 MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: J.H. REVISED: 00-00-00





LEGEND:

- | | |
|-------------------|-------------------------|
| ⊘ DISPOSAL WELLS | ⊘ WATER WELLS |
| ● PRODUCING WELLS | ⊘ ABANDONED WELLS |
| ⊘ SHUT IN WELLS | ⊘ TEMPORARILY ABANDONED |

PIONEER NATURAL RESOURCES USA, INC.

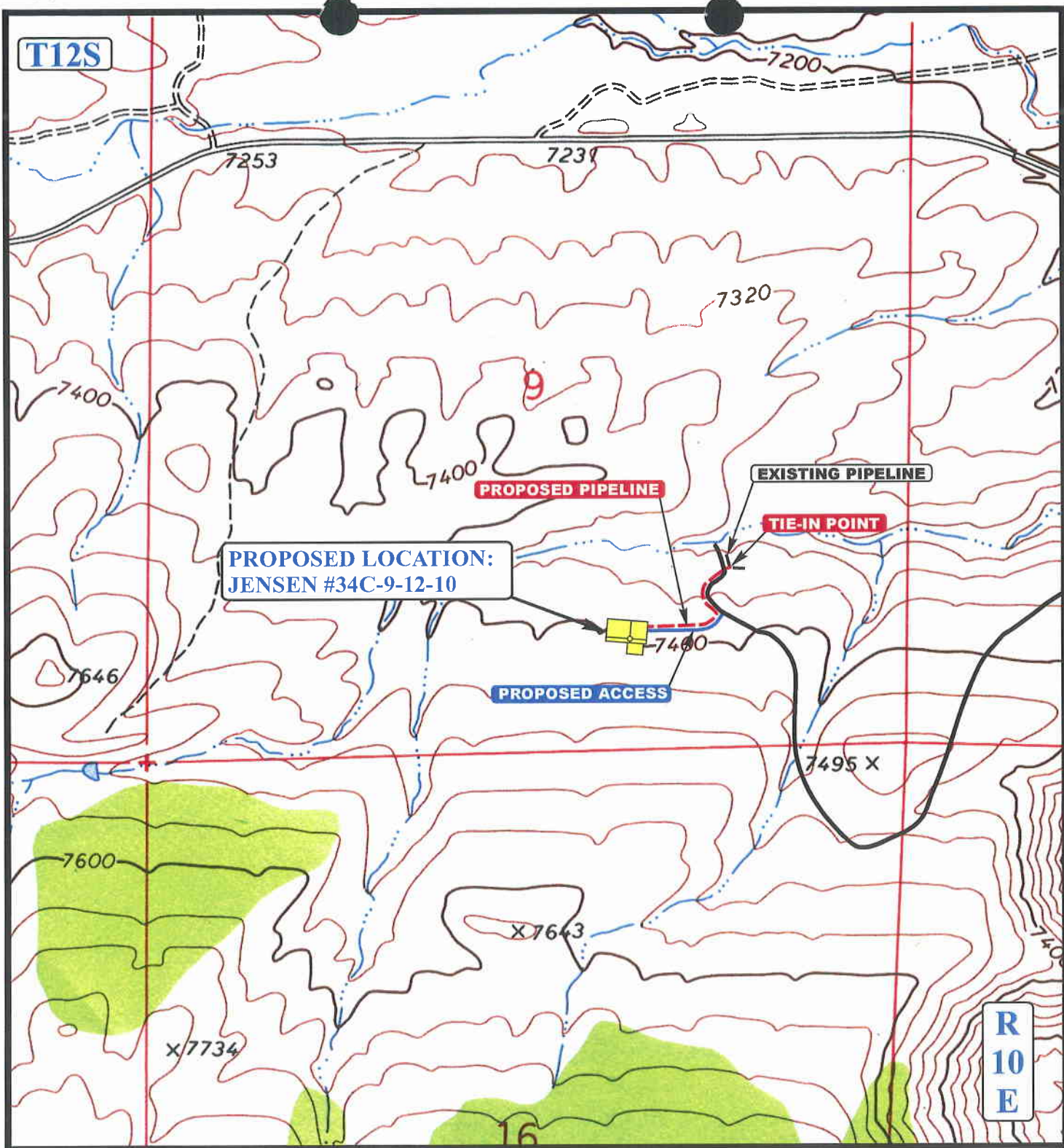
JENSEN #34C-9-12-10
SECTION 9, T12S, R10E, S.L.B.&M.
801' FSL 1983' FEL



Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
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TOPOGRAPHIC 01 30 09
MAP MONTH DAY YEAR
SCALE: 1" = 2000' DRAWN BY: J.H. REVISED: 00-00-00





APPROXIMATE TOTAL PIPELINE DISTANCE = 1,016' +/-

LEGEND:

- PROPOSED ACCESS ROAD
- EXISTING PIPELINE
- PROPOSED PIPELINE

PIONEER NATURAL RESOURCES USA, INC.

JENSEN #34C-9-12-10
SECTION 9, T12S, R10E, S.L.B.&M.
801' FSL 1983' FEL



Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813



TOPOGRAPHIC
MAP

01 30 09
MONTH DAY YEAR

SCALE: 1" = 1000'

DRAWN BY: J.H.

REVISED: 00-00-00

D
TOPO

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 04/13/2009

API NO. ASSIGNED: 43-007-31503

WELL NAME: JENSEN 34C-9-12-10

OPERATOR: PIONEER NATURAL (N5155)

PHONE NUMBER: 303-675-2663

CONTACT: JOY ZIEGLER

PROPOSED LOCATION:

SWSE 09 120S 100E

SURFACE: 0801 FSL 1983 FEL

BOTTOM: 0801 FSL 1983 FEL

COUNTY: CARBON

LATITUDE: 39.79326 LONGITUDE: -110.80387

UTM SURF EASTINGS: 516792 NORTHINGS: 4404620

FIELD NAME: CASTLEGATE (13)

INSPECT LOCATN BY: / /

Tech Review

Initials

Date

Engineering

DKD

7/2/09

Geology

Surface

LEASE TYPE: 4 - Fee

LEASE NUMBER: FEE

SURFACE OWNER: 4 - Fee

PROPOSED FORMATION: EMRY

COALBED METHANE WELL? YES

RECEIVED AND/OR REVIEWED:

☒ Plat

☒ Bond: Fed[] Ind[] Sta[] Fee[]
(No. 104319462)

☒ Potash (Y/N)

☒ Oil Shale 190-5 (B) or 190-3 or 190-13

☒ Water Permit

(No. 94-4983)

☒ RDCC Review (Y/N)

(Date: _____)

☒ Fee Surf Agreement (Y/N)

☒ Intent to Commingle (Y/N)

LOCATION AND SITING:

_____ R649-2-3.

Unit: _____

_____ R649-3-2. General

Siting: 460' From Qtr/Qtr & 920' Between Wells

_____ R649-3-3. Exception

☒ Drilling Unit

Board Cause No: 220-08

Eff Date: 10-15-2008

Siting: 460' From Qtr/Qtr & 920' Between Wells

_____ R649-3-11. Directional Drill

COMMENTS:

Wells Post (04-30-09)

STIPULATIONS:

1 - STATEMENT OF BASIS

API Number: 4300731503

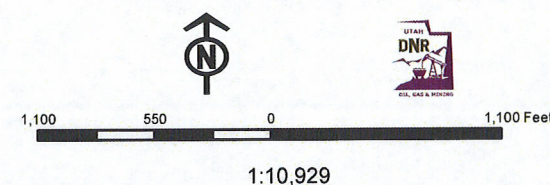
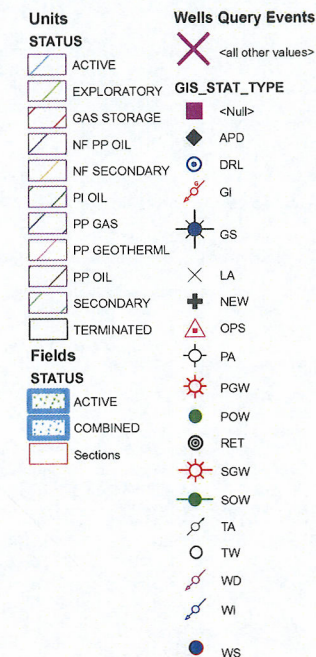
Well Name: JENSEN 34C-9-12-10

Township 12.0 S Range 10.0 E Section 09

Meridian: SLBM

Operator: PIONEER NATURAL RESOURCES USA, INC

Map Prepared:
Map Produced by Diana Mason



Application for Permit to Drill

Statement of Basis

Utah Division of Oil, Gas and Mining

6/4/2009

Page 1

APD No	API WellNo	Status	Well Type	Surf Ownr	CBM
1413	43-007-31503-00-00		GW	P	No
Operator	PIONEER NATURAL RESOURCES USA, IN	Surface Owner-APD			
Well Name	JENSEN 34C-9-12-10	Unit			
Field	UNDESIGNATED	Type of Work			
Location	SWSE 9 12S 10E S 801 FSL 1983 FEL	GPS Coord (UTM) 516792E 4404620N			

Geologic Statement of Basis

A well drilled at this location will likely spud into a permeable soil developed on the Tertiary/Cretaceous-age Undivided Flagstaff Limestone/North Horn Formation. It is likely that considerable volumes of fresh water may be encountered in permeable Tertiary Flagstaff Limestone and Cretaceous-age North Horn and Mesa Verde Group strata. The nearest mapping of the base of moderately saline ground water in the area (~13 miles east) implies that it may be as much as 5,000' below the surface. Numerous water rights have been filed, including many underground water rights within a mile of the location. Drainage is to the north into a small, unnamed drainage in Emma Park that feeds into nearby Willow Creek, which eventually flows into the Price River. The prodigious column of permeable sands in the Cretaceous is exposed during drilling below the surface casing. The proposed casing and cementing program and the benign drilling fluid system will adequately protect the ground water resource.

Chris Kierst
APD Evaluator

5/26/2009
Date / Time

Surface Statement of Basis

On-site evaluation conducted April 30, 2009. In attendance: Bart Kettle-DOGM, Jerry Jensen-Surface Owner, Frankie Hathaway-Carbon County, Dallas Christensen-Pioneer Natural Resources, Stephen Schreck-Pioneer Natural Resources and Kelly Rasmussen-Uintah Engineering & Land Surveying. Invited and choosing not to attend: Jim Jensen-Surface Owner.

Proposed site appears adequate for the drilling program. Well site falls within core greater sage grouse brooding area. An active lek is located less than one mile northwest.

Reserve pit should have a 16 mil liner properly installed prior to commencement of drilling activities. If construction crews are unable to properly bed limestone fragments a felt liner maybe required to prevent puncture of primary liner. Three sides require fence while drilling, with the forth side fenced immediately following removal of drilling equipment.

Drainage crossing should be rip rapped at the outlet of culvert to prevent accelerated erosion downstream.

Carbon County requires that operator obtain a conditional use permit from the county for wells being proposed on fee lands.

Bart Kettle
Onsite Evaluator

4/30/2009
Date / Time

Application for Permit to Drill

Statement of Basis

Utah Division of Oil, Gas and Mining

6/4/2009

Page 2

Conditions of Approval / Application for Permit to Drill

Category	Condition
Pits	A synthetic liner with a minimum thickness of 16 mils shall be properly installed and maintained in the reserve pit.
Surface	Drainage crossing should be rip rapped at the outlet of culvert to prevent accelerated erosion downstream.
Surface	The reserve pit shall be fenced upon completion of drilling operations.

ON-SITE PREDRILL EVALUATION

Utah Division of Oil, Gas and Mining

Operator PIONEER NATURAL RESOURCES USA, INC
Well Name JENSEN 34C-9-12-10
API Number 43-007-31503-0 **APD No** 1413 **Field/Unit** UNDESIGNATED
Location: 1/4,1/4 SWSE **Sec** 9 **Tw** 12S **Rng** 10E 801 FSL 1983 FEL
GPS Coord (UTM) **Surface Owner**

Participants

Bart Kettle-DOGM, Jerry Jensen-Surface Owner, Frankie Hathaway-Carbon County, Dallas Christensen-Pioneer Natural Resources, Stephen Schreck-Pioneer Natural Resources and Kelly Rasmussen-Uintah Engineering & Land Surveying.

Regional/Local Setting & Topography

Proposed project is ~9.5 miles northwest of Helper, located in Carbon County Utah. Project site is located in Emma Park, a rather large valley consisting of sage-step rangelands in a 14-16" precipitation zone. Dimensions of Emma Park are roughly 3 miles wide and nearly 10 miles long. To the north topography rises steeply into Reservation Ridge, where prevalent Douglas fir and mountain browse communities are found. Topography to the south breaks off quickly into a series of steep canyons/ledges towards the Price River and Willow Creek. Vegetation consists of Pinion/Juniper woodlands and Ponderosa pine and Gambel oak communities. Drainages in the project area enter Willow Creek ~2 miles, a perennial stream in which drainages from Emma Park enter. From 2001-2005 a study was conducted in the project area attempting to measure the impacts of Coalbed Methane Development on Greater Sage Grouse population inhabiting Emma Park. Regional topography is semi-arid rangelands dominated by Pinion/Juniper woodlands and salt scrub communities. Soils in the region are generally poorly developed, and moderate to highly erosive clay or clay loams.

Surface Use Plan

Current Surface Use

Grazing
Wildlife Habitat

New Road

Miles	Well Pad	Src Const Material	Surface Formation
0.2	Width 220 Length 290		FLAG

Ancillary Facilities Y

Waste Management Plan Adequate? Y

Environmental Parameters

Affected Floodplains and/or Wetland N

Flora / Fauna

Flora:

Forbs: Spiny Phlox, silver lupine, sulphur cinquefoil, lomatium spp., onion spp., death camas, marigold spp., taper tip hawks beard, scarlet gilia, Rocky Mountain iris, western yarrow, Whipples penstemon.

Grass: Elk sedge, Nevada blue grass, thick spike wheat grass, Salina wild rye, Columbia needle and thread, Sandburg's blue grass.

Shrubs: Mountain big sage, gray stem rubber rabbit brush

Fauna: Seasonal use by host of song birds and sage obligate species such as sage thrasher and sage sparrow. Year long mule deer habitat, elk winter range. Year long greater sage grouse habitat. Many species of rodents.

Soil Type and Characteristics

Erosion Issues Y

Soils prone to wind erosion when disturbed. Interim reclamation should be completed as soon as practical to stabilize site.

Sedimentation Issues N**Site Stability Issues N****Drainage Diversion Required N****Berm Required? N****Erosion Sedimentation Control Required? Y**

Interim reclamation to stabilize site.

Paleo Survey Run? N Paleo Potential Observed? Y Cultural Survey Run? Y Cultural Resources? N

Reserve Pit

Site-Specific Factors		Site Ranking
Distance to Groundwater (feet)	>200	0
Distance to Surface Water (feet)	>1000	0
Dist. Nearest Municipal Well (ft)	>5280	0
Distance to Other Wells (feet)	>1320	0
Native Soil Type	Mod permeability	10
Fluid Type	Fresh Water	5
Drill Cuttings	Normal Rock	0
Annual Precipitation (inches)	10 to 20	5
Affected Populations	<10	0
Presence Nearby Utility Conduits	Not Present	0
Final Score		20 1 Sensitivity Level

Characteristics / Requirements

Felt liner may be require is limestone fragments are not properly bedded.

Closed Loop Mud Required? N Liner Required? Y Liner Thickness 16 Pit Underlayment Required? N

Other Observations / Comments

Proposed project site is located within the 2001-2005 study area for The Sage-Grouse of Emma Park-Survival, Production, and Habitat use in Relation to Coalbed Methane Development conducted by the Utah Division of Wildlife Resources. As such the following Management Recommendations are given for development within the study area:

- 1.) Noise levels at any leks should be less than 40db. Wells should not be located within 1500 meters of active leks. Where wells already exist inside this buffer, appropriate mufflers or fencing to reduce noise levels should be added.
- 2.) Avoid CBM development in vegetation treatment in the core use areas shown in Figure 10. Furthermore an 8 km buffer around each lek was necessary to include over 90% of the nest in the area. This buffer would include all of the core use areas mentioned.
- 3.) Restrict traffic near leks from 5 am to 10 am during March 15 through May 10 to reduce disturbance at leks.
- 4.) When wells are to be placed in the sage grouse habitat, select dry ridges or previously treated sagebrush over wet meadows, ephemeral stream channels, and shallow basins with good sagebrush cover.
- 5.) A 50 meter buffer along all heavy traffic roads should be used to calculate habitat lost due to development particularly in winter sage grouse habitats.
- 6.) Where possible, new roads and wells should be constructed in adjacent pinyon-juniper habitat that typically has less

wildlife value.

7.) Directional drilling minimizes the number of wells and associated road network which in turn minimizes fragmentation of sage grouse habitat.

8.) Use the seasonal habitat maps found in Appendix C to assess potential impacts to sage grouse, where necessary these maps should be developed for surrounding areas.

9.) Nesting/Summer habitat was found to be the most critical time for sage grouse survival and production during this study. Protection of summer/nesting habitats should be prioritized.

Bart Kettle

Evaluator

4/30/2009

Date / Time



Search all of Utah.gov »

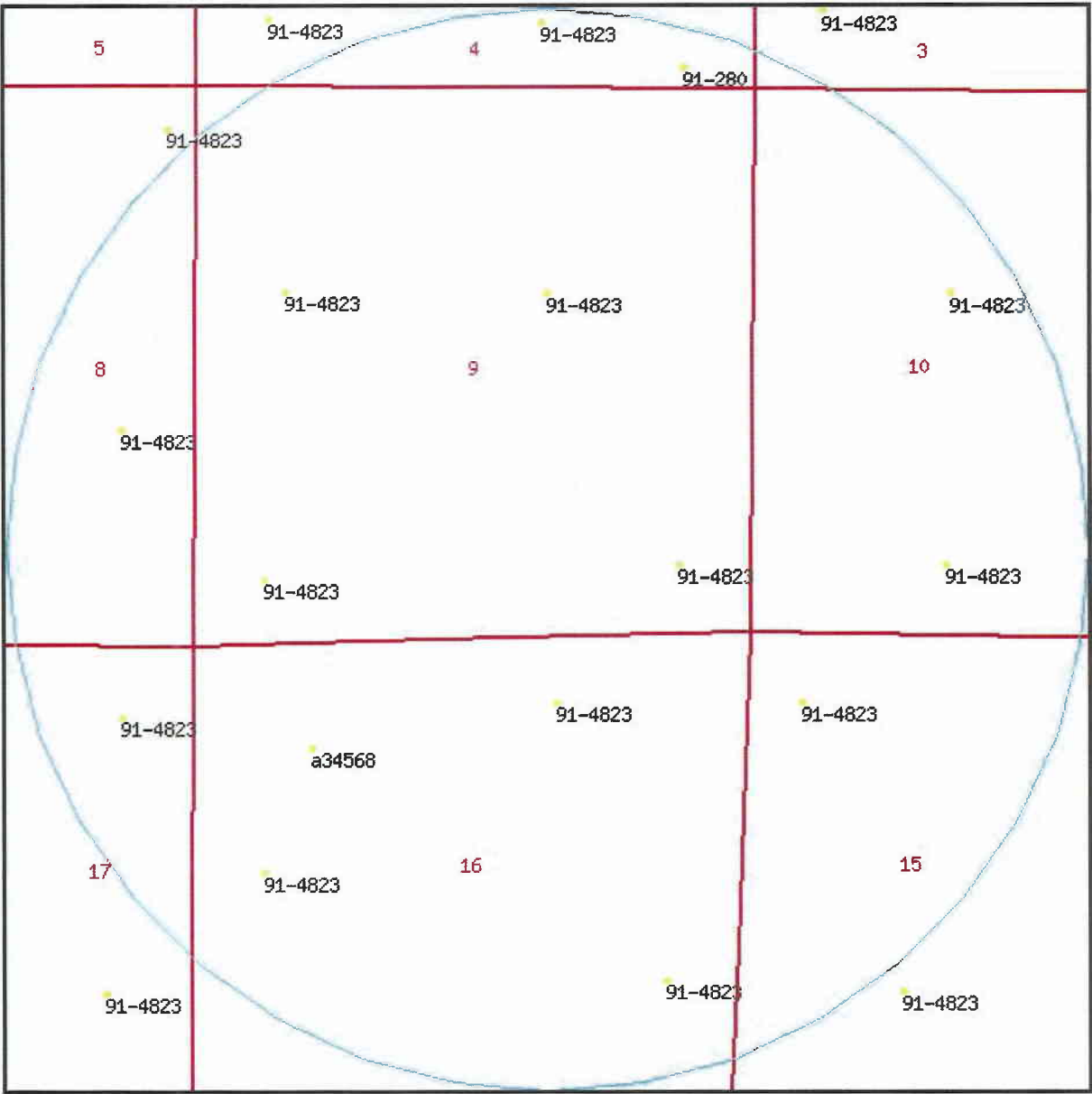
Utah Division of Water Rights



Output Listing

Version: 2009.05.06.00 Rundate: 05/27/2009 11:34 AM

Radius search of 5280 feet from a point N801 W1983 from the SE corner, section 09, Township 12S, Range 10E, SL b&m Criteria:wrtypes=W,C,E
podtypes=S,U,Sp status=U,A,P usetypes=all



Water Rights

STATE OF UTAH, DIVISION OF WATER RIGHTS

WR Number	Diversion Type/Location	Well Log	Status	Priority	Uses	CFS	ACFT	Owner Name
<u>91-280</u>	Surface N200 W700 SE 04 12S 10E SL		U	19601026	MO	0.000	2.200	PRICE RIVER WATER IMPROVEMENT DISTRICT P.O. BOX 903
<u>91-4823</u>	Underground N2050 W850 SE 17 12S 10E SL		U	19920423	M	10.000	0.000	PRICE RIVER WATER IMPROVEMENT DISTRICT P.O. BOX 903
<u>91-4823</u>	Underground S700 W700 NE 17 12S 10E SL		U	19920423	M	10.000	0.000	PRICE RIVER WATER IMPROVEMENT DISTRICT P.O. BOX 903
<u>91-4823</u>	Underground N2100 W700 SE 08 12S 10E SL		U	19920423	M	10.000	0.000	PRICE RIVER WATER IMPROVEMENT DISTRICT P.O. BOX 903
<u>91-4823</u>	Underground S415 W288 NE 08 12S 10E SL		U	19920423	M	10.000	0.000	PRICE RIVER WATER IMPROVEMENT DISTRICT P.O. BOX 903
<u>91-4823</u>	Underground S2200 E700 NW 16 12S 10E SL		U	19920423	M	10.000	0.000	PRICE RIVER WATER IMPROVEMENT DISTRICT P.O. BOX 903
<u>91-4823</u>	Underground N650 E700 SW 09 12S 10E SL		U	19920423	M	10.000	0.000	PRICE RIVER WATER IMPROVEMENT DISTRICT P.O. BOX 903
<u>91-4823</u>	Underground N650 E700 SW 04 12S 10E SL		U	19920423	M	10.000	0.000	PRICE RIVER WATER IMPROVEMENT DISTRICT P.O. BOX 903
<u>91-4823</u>	Underground		U	19920423	M	10.000	0.000	PRICE RIVER WATER IMPROVEMENT DISTRICT

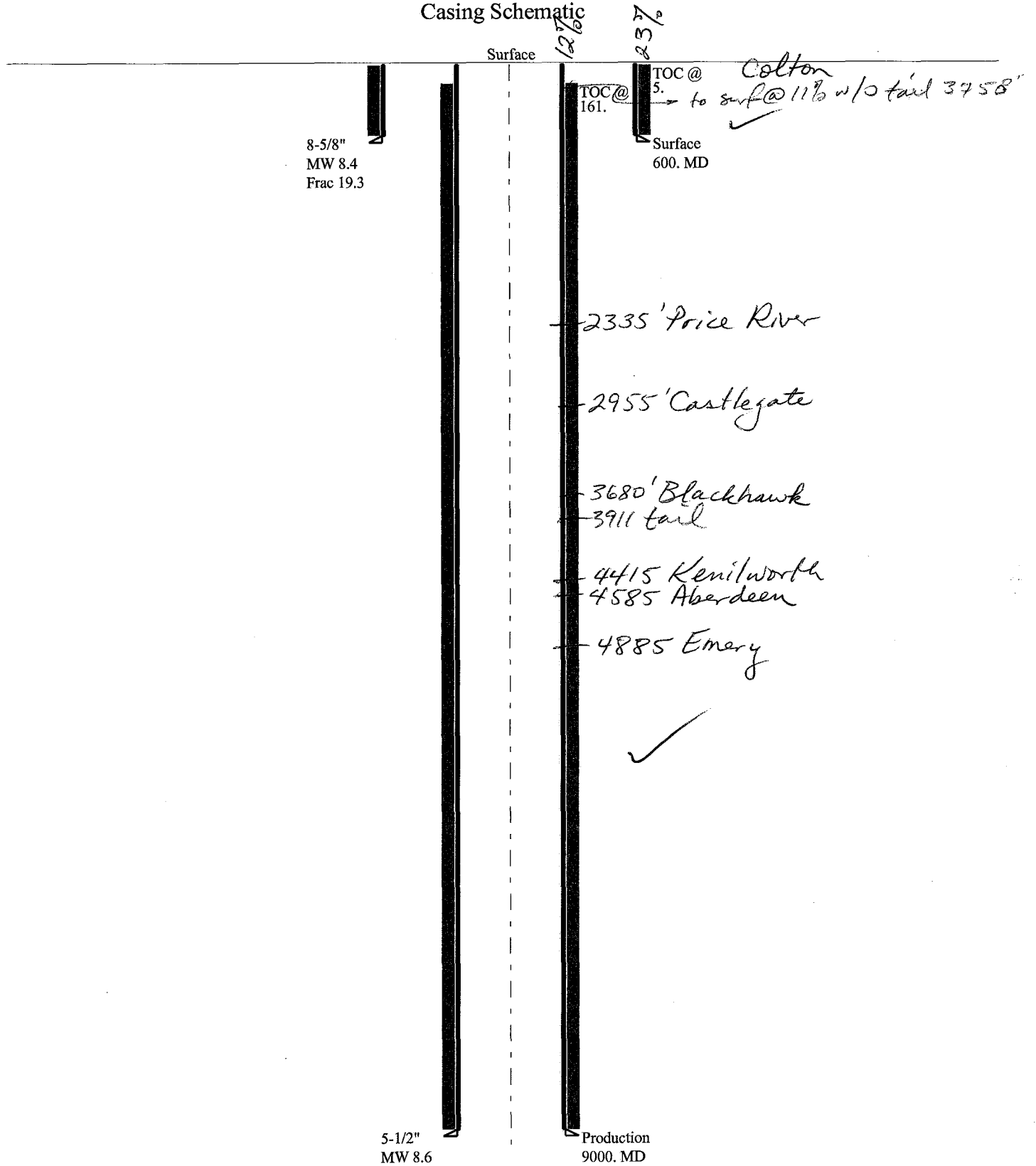
STATE OF UTAH, DIVISION OF WATER RIGHTS

	S2000 E850 NW 09 12S 10E SL				P.O. BOX 903
<u>91-4823</u>	Underground	U	19920423 M	10.000 0.000	PRICE RIVER WATER IMPROVEMENT DISTRICT
	N650 W2100 SE 04 12S 10E SL				P.O. BOX 903
<u>91-4823</u>	Underground	U	19920423 M	10.000 0.000	PRICE RIVER WATER IMPROVEMENT DISTRICT
	S2000 W2050 NE 09 12S 10E SL				P.O. BOX 903
<u>91-4823</u>	Underground	U	19920423 M	10.000 0.000	PRICE RIVER WATER IMPROVEMENT DISTRICT
	S700 W1900 NE 16 12S 10E SL				P.O. BOX 903
<u>91-4823</u>	Underground	U	19920423 M	10.000 0.000	PRICE RIVER WATER IMPROVEMENT DISTRICT
	N2000 W600 SE 16 12S 10E SL				P.O. BOX 903
<u>91-4823</u>	Underground	U	19920423 M	10.000 0.000	PRICE RIVER WATER IMPROVEMENT DISTRICT
	N650 W700 SE 09 12S 10E SL				P.O. BOX 903
<u>91-4823</u>	Underground	U	19920423 M	10.000 0.000	PRICE RIVER WATER IMPROVEMENT DISTRICT
	S700 E500 NW 15 12S 10E SL				P.O. BOX 903
<u>91-4823</u>	Underground	U	19920423 M	10.000 0.000	PRICE RIVER WATER IMPROVEMENT DISTRICT
	N750 E650 SW 03 12S 10E SL				P.O. BOX 903
<u>91-4823</u>	Underground	U	19920423 M	10.000 0.000	PRICE RIVER WATER IMPROVEMENT DISTRICT
	N1900 E1700 SW 15 12S 10E SL				P.O. BOX 903
<u>91-4823</u>	Underground	U	19920423 M	10.000 0.000	PRICE RIVER WATER IMPROVEMENT DISTRICT

	N650 E1900 SW 10 12S 10E SL					P.O. BOX 903
<u>91-4823</u>	Underground	U	19920423 M	10.000	0.000	PRICE RIVER WATER IMPROVEMENT DISTRICT
	S2000 E1900 NW 10 12S 10E SL					P.O. BOX 903
<u>a34568</u>	Underground	U	20080609 M	0.000	5000.000	PRICE CITY MUNICIPAL CORPORATION
	S990 E1145 NE 17 12S 10E SL					C/O GARY SONNTAG

43007315030000 Jensen 34C-9-12-10

Casing Schematic



Well name:

43007315030000 Jensen 34C-9-12-10Operator: **Pioneer Natural Resources USA, Inc.**String type: **Surface**

Project ID:

43-007-31503-0000Location: **Carbon County****Design parameters:****Collapse**

Mud weight: 8.400 ppg

Design is based on evacuated pipe.

Minimum design factors:**Collapse:**

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No

Surface temperature: 65 °F

Bottom hole temperature: 73 °F

Temperature gradient: 1.40 °F/100ft

Minimum section length: 250 ft

Cement top: 5 ft

Burst

Max anticipated surface pressure: 528 psi

Internal gradient: 0.120 psi/ft

Calculated BHP 600 psi

No backup mud specified.

Tension:

8 Round STC: 1.80 (J)

8 Round LTC: 1.80 (J)

Buttress: 1.60 (J)

Premium: 1.50 (J)

Body yield: 1.50 (B)

Tension is based on buoyed weight.

Neutral point: 526 ft

Non-directional string.**Re subsequent strings:**

Next setting depth: 9,000 ft

Next mud weight: 8.600 ppg

Next setting BHP: 4,021 psi

Fracture mud wt: 19.250 ppg

Fracture depth: 600 ft

Injection pressure: 600 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	600	8.625	28.00	H-40	ST&C	600	600	7.892	210.3
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	262	1610	6.150	600	2470	4.12	15	233	15.83 J

Prepared Helen Sadik-Macdonald
by: Div of Oil, Gas & MiningPhone: 801-538-5357
FAX: 801-359-3940Date: June 16, 2009
Salt Lake City, Utah**Remarks:**

Collapse is based on a vertical depth of 600 ft, a mud weight of 8.4 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

Well name:

43007315030000 Jensen 34C-9-12-10

Operator: Pioneer Natural Resources USA, Inc.

String type: Production

Project ID:

43-007-31503-0000

Location: Carbon County

Design parameters:**Collapse**

Mud weight: 8.600 ppg

Design is based on evacuated pipe.

Minimum design factors:**Collapse:**

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No

Surface temperature: 65 °F

Bottom hole temperature: 191 °F

Temperature gradient: 1.40 °F/100ft

Minimum section length: 1,500 ft

Cement top: 161 ft

Burst

Max anticipated surface

pressure: 2,041 psi

Internal gradient: 0.220 psi/ft

Calculated BHP 4,021 psi

No backup mud specified.

Tension:

8 Round STC: 1.80 (J)

8 Round LTC: 1.80 (J)

Buttress: 1.60 (J)

Premium: 1.50 (J)

Body yield: 1.50 (B)

Non-directional string.

Tension is based on buoyed weight.

Neutral point: 7,826 ft

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	9000	5.5	17.00	K-55	LT&C	9000	9000	4.767	1174.7
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	4021	4910	1.221	4021	5320	1.32	133	272	2.04 J

Prepared Helen Sadik-Macdonald
by: Div of Oil, Gas & MiningPhone: 801-538-5357
FAX: 810-359-3940Date: June 16, 2009
Salt Lake City, Utah**Remarks:**

Collapse is based on a vertical depth of 9000 ft, a mud weight of 8.6 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

BOPE REVIEW

Pioneer Jensen 34C-9-12-10

API 43-007-31503-0000

INPUT

Well Name

Casing Size (")

Setting Depth (TVD)

Previous Shoe Setting Depth (TVD)

Max Mud Weight (ppg)

BOPE Proposed (psi)

Casing Internal Yield (psi)

Operators Max Anticipated Pressure (psi)

Pioneer Jensen 34C-9-12-10	API 43-007-31503-0000
String 1	String 2
8 5/8	5 1/2
600	9000
0	600
8.4	8.6
0	3000
2470	5320
3465	7.4 ppg

Calculations

String 1 8 5/8 "

Max BHP [psi]

 $.052 \times \text{Setting Depth} \times \text{MW} =$

262

BOPE Adequate For Drilling And Setting Casing at Depth?

MASP (Gas) [psi]

 $\text{Max BHP} - (0.12 \times \text{Setting Depth}) =$

190

NO

MASP (Gas/Mud) [psi]

 $\text{Max BHP} - (0.22 \times \text{Setting Depth}) =$

130

NO

*Can Full Expected Pressure Be Held At Previous Shoe?

Pressure At Previous Shoe

 $\text{Max BHP} - .22 \times (\text{Setting Depth} - \text{Previous Shoe Depth}) =$

130

NO

Reasonable depth

Required Casing/BOPE Test Pressure

600

psi

*Max Pressure Allowed @ Previous Casing Shoe =

0

psi

*Assumes 1psi/ft frac gradient

Calculations

String 2 5 1/2 "

Max BHP [psi]

 $.052 \times \text{Setting Depth} \times \text{MW} =$

4025

BOPE Adequate For Drilling And Setting Casing at Depth?

MASP (Gas) [psi]

 $\text{Max BHP} - (0.12 \times \text{Setting Depth}) =$

2945

YES

MASP (Gas/Mud) [psi]

 $\text{Max BHP} - (0.22 \times \text{Setting Depth}) =$

2045

YES

*Can Full Expected Pressure Be Held At Previous Shoe?

Pressure At Previous Shoe

 $\text{Max BHP} - .22 \times (\text{Setting Depth} - \text{Previous Shoe Depth}) =$

2177

NO

→ Expected pressure of underpressured coal is 1617 psi @ shoe

Required Casing/BOPE Test Pressure

3000

psi

*Max Pressure Allowed @ Previous Casing Shoe =

600

psi

*Assumes 1psi/ft frac gradient

Reasonable



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

July 7, 2009

Pioneer Natural Resources USA, Inc.
1401 17th St., Ste. 1200
Denver, CO 80202

Re: Jensen 34C-9-12-10 Well, 801' FSL, 1983' FEL, SW SE, Sec. 9, T. 12 South, R. 10 East,
Carbon County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-007-31503.

Sincerely,

Gil Hunt
Associate Director

pab
Enclosures

cc: Carbon County Assessor



Operator: Pioneer Natural Resources USA, Inc.
Well Name & Number Jensen 34C-9-12-10
API Number: 43-007-31503
Lease: Fee

Location: SW SE Sec. 9 T. 12 South R. 10 East

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

The operator is required to notify the Division of Oil, Gas and Mining of the following action during drilling of this well:

- 24 hours prior to cementing or testing casing – contact Dan Jarvis
- 24 hours prior to testing blowout prevention equipment – contact Dan Jarvis
- 24 hours prior to spudding the well – contact Carol Daniels
- Within 24 hours of any emergency changes made to the approved drilling program – contact Dustin Doucet
- Prior to commencing operations to plug and abandon the well – contact Dan Jarvis

The operator is required to get approval from the Division of Oil, Gas and Mining before performing any of the following actions during the drilling of this well:

- Plugging and abandonment or significant plug back of this well – contact Dustin Doucet
- Any changes to the approved drilling plan – contact Dustin Doucet

The following are Division of Oil, Gas and Mining contacts and their telephone numbers (please leave a voice mail message if the person is not available to take the call):

- Dan Jarvis at: (801) 538-5338 office (801) 942-0871 home
- Carol Daniels at: (801) 538-5284 office
- Dustin Doucet at: (801) 538-5281 office (801) 733-0983 home

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)

Division of Oil, Gas and Mining
OPERATOR CHANGE WORKSHEET (for state use only)

ROUTING

1. DJJ

2. CDW

X - Change of Operator (Well Sold)

Operator Name Change/Merger

The operator of the well(s) listed below has changed, effective:

4/1/2010

FROM: (Old Operator):

N5155-Pioneer Natural Resources USA, Inc.
 1401 17th St, Suite 1200
 Denver, CO 80202

Phone: 1 (303) 675-2610

TO: (New Operator):

N3680-Blue Tip Castlegate, Inc.
 15810 Park Ten Place, Suite 160
 Houston, TX 77084

Phone: 1 (303) 979-6023

CA No.

Unit:

WELL NAME	SEC	TWN	RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS
SEE ATTACHED LIST								

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 6/3/2010
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 6/3/2010
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 5/10/2010
- a. Is the new operator registered in the State of Utah: Business Number: 7624076-0142
- a. (R649-9-2)Waste Management Plan has been received on: Requested 9/13/2010
- b. Inspections of LA PA state/fee well sites complete on: n/a
- c. Reports current for Production/Disposition & Sundries on: ok
- Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM not yet BIA
- Federal and Indian Units:**
The BLM or BIA has approved the successor of unit operator for wells listed on: n/a
- Federal and Indian Communization Agreements ("CA"):**
The BLM or BIA has approved the operator for all wells listed within a CA on: n/a
- Underground Injection Control ("UIC")** Division has approved UIC Form 5 Transfer of Authority to **Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: * Being held

DATA ENTRY:

- Changes entered in the **Oil and Gas Database** on: 6/30/2010
- Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 6/30/2010
- Bond information entered in RBDMS on: 6/30/2010
- Fee/State wells attached to bond in RBDMS on: 6/30/2010
- Injection Projects to new operator in RBDMS on: *
- Receipt of Acceptance of Drilling Procedures for APD/New on: 6/30/2010

BOND VERIFICATION:

- Federal well(s) covered by Bond Number: B005638
- Indian well(s) covered by Bond Number: n/a
- a. (R649-3-1) The **NEW** operator of any state/fee well(s) listed covered by Bond Number B005639 and B005650
- b. The **FORMER** operator has requested a release of liability from their bond on: n/a

LEASE INTEREST OWNER NOTIFICATION:

- (R649-2-10) The **NEW** operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: 6/30/2010

COMMENTS:

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER:
2. NAME OF OPERATOR: Blue Tip Castlegate, Inc. <i>N 36 80</i>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 15810 Park Ten Place - Ste 160 CITY Houston STATE TX ZIP 77084		7. UNIT or CA AGREEMENT NAME:
PHONE NUMBER: (303) 979-6023		8. WELL NAME and NUMBER: See Attached List
4. LOCATION OF WELL FOOTAGES AT SURFACE: COUNTY: Carbon QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: STATE: UTAH		9. API NUMBER:
		10. FIELD AND POOL, OR WILDCAT:

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: <u>4/1/2010</u>	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion:	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input checked="" type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Blue Tip Castlegate, Inc. has acquired all of Pioneer Natural Resources USA, Inc's interest in the Castlegate Field - see attached well list. The effective date of change of operator is April 1, 2010.

Betty Brown 5/13/10
Betty Brown Date
Attorney-In-Fact
Pioneer Natural Resources USA, Inc. *N 51 55*
1401 17th Street - Suite 1200
Denver, CO 80202
Phone: 303-675-2610

Bruce L Taylor 5/13/10
Bruce L. Taylor Date
Manager Vice President *BT*
Blue Tip Castlegate, Inc.
15810 Park Ten Place - Suite 160
Houston, TX 77084
Telephone: 303-979-6023
State Bond No.: B005639
BLM Bond No.: B005638

NAME (PLEASE PRINT) <u>Bruce L. Taylor</u>	TITLE <u>Manager Vice President <i>BT</i></u>
SIGNATURE <i>Bruce L Taylor</i>	DATE <u>5/13/10</u>

(This space for State use only)

APPROVED 6/30/2010

Earlene Russell

(5/2000)

Division of Oil, Gas and Mining
Earlene Russell, Engineering Technician

(See Instructions on Reverse Side)

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DIV. OF OIL, GAS & MINING

PIONEER NATURAL RESOURCES (N5155) to BLUE TIP CASTLEGATE (N3680)

well_name	sec	tpw	rng	api	entity	lease	type	stat	C
SHIMMIN TRUST 5-14-12-10	14	120S	100E	4300730122	14175	Fee	GW	P	
CASTLEGATE FED 7-9-12-10	09	120S	100E	4300730137	12991	Federal	GW	P	
JENSEN 9-10-12-10	10	120S	100E	4300730159	12906	Fee	GW	P	
JENSEN 5-10-12-10	10	120S	100E	4300730162	12905	Fee	GW	S	
JENSEN 16-9-12-10	09	120S	100E	4300730163	12904	Fee	GW	P	
JENSEN 11-10-12-10	10	120S	100E	4300730164	11405	Fee	GW	P	
SHIMMIN TRUST 11-11-12-10	11	120S	100E	4300730166	11410	Fee	GW	P	
CASTLEGATE ST 1-16-12-10	16	120S	100E	4300730589	12610	State	GW	P	
JENSEN 1-10-12-10	10	120S	100E	4300730596	12611	Fee	GW	P	
SHIMMIN TRUST 2-11-12-10	11	120S	100E	4300730659	13070	Fee	GW	P	
SHIMMIN TRUST 4-14-12-10	14	120S	100E	4300730662	13071	Fee	GW	P	
SHIMMIN TRUST 1-11-12-10	11	120S	100E	4300730673	12901	Fee	GW	P	
JENSEN 2-10-12-10	10	120S	100E	4300730675	14225	Fee	GW	OPS	
JENSEN 1-9-12-10	09	120S	100E	4300730717	12903	Fee	GW	P	
JENSEN 1-18-12-10	18	120S	100E	4300730718	14226	Fee	GW	P	
JENSEN 1-4-12-10	04	120S	100E	4300730733	13068	Fee	GW	P	
JENSEN 2-8-12-10	08	120S	100E	4300730734	13275	Fee	GW	P	
JENSEN 2-9-12-10	09	120S	100E	4300730735	13317	Fee	GW	P	
JENSEN 1-15-12-10	15	120S	100E	4300730736	13072	Fee	GW	P	
JENSEN 1-8-12-10	08	120S	100E	4300730768	13359	Fee	GW	P	
CASTLEGATE ST 4-16-12-10	16	120S	100E	4300730785	13318	State	GW	P	
JENSEN DEEP 7-15-12-10	15	120S	100E	4300730786	13247	Fee	GW	S	
CASTLEGATE ST 11-16H-12-10	16	120S	100E	4300730961	14224	State	GW	S	
SHIMMIN 11-14-12-10	14	120S	100E	4300730962	14223	Fee	GW	OPS	
JENSEN 23C-9-12-10	09	120S	100E	4300731211	15770	Fee	GW	P	
JENSEN 33C-9-12-10	09	120S	100E	4300731212	15769	Fee	GW	P	
JENSEN 42C-9-12-10	09	120S	100E	4300731213	15766	Fee	GW	P	
JENSEN 43C-9-12-10	09	120S	100E	4300731214	15768	Fee	GW	P	C
CASTLEGATE FED 22C-9-12-10	09	120S	100E	4300731225	15767	Federal	GW	P	
JENSEN 41C-9-12-10	09	120S	100E	4300731452	17246	Fee	GW	OPS	C
JENSEN 14C-10-12-10	10	120S	100E	4300731453	17235	Fee	GW	P	
JENSEN FED 14C-3-12-10	03	120S	100E	4300731495		Federal	GW	APD	C
JENSEN FED 22C-10-12-10	10	120S	100E	4300731498		Federal	GW	APD	C
JENSEN FED 11C-10-12-10	10	120S	100E	4300731499		Federal	GW	APD	C
JENSEN 14C-4-12-10	04	120S	100E	4300731500		Fee	GW	APD	C
JENSEN 44C-4-12-10	04	120S	100E	4300731501		Fee	GW	APD	C
JENSEN 44C-5-12-10	05	120S	100E	4300731502		Fee	GW	APD	C
JENSEN 34C-9-12-10	09	120S	100E	4300731503		Fee	GW	APD	C
JENSEN 31C-9-12-10	09	120S	100E	4300731504		Fee	GW	APD	C
JENSEN 14C-9-12-10	09	120S	100E	4300731505		Fee	GW	APD	C
JENSEN 11C-9-12-10	09	120S	100E	4300731506		Fee	GW	APD	C
JENSEN 24C-9-12-10	09	120S	100E	4300731507		Fee	GW	APD	C
JENSEN ST 11C-34-11-9	34	110S	090E	4304930024	17071	State	GW	S	C

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Request to Transfer Application or Permit to Drill

(This form should accompany a Sundry Notice, Form 9, requesting APD transfer)

Well name:	Jensen 34C-9-12-10
API number:	4300731503
Location:	Qtr-Qtr: SWSE Section: 9 Township: 12S Range: 10E
Company that filed original application:	Pioneer Natural Resources USA, Inc.
Date original permit was issued:	07/07/2009
Company that permit was issued to:	Pioneer Natural Resources USA, Inc.

Check one	Desired Action:
<input type="checkbox"/>	Transfer pending (unapproved) Application for Permit to Drill to new operator
<input type="checkbox"/>	The undersigned as owner with legal rights to drill on the property, hereby verifies that the information as submitted in the pending Application for Permit to Drill, remains valid and does not require revision. The new owner of the application accepts and agrees to the information and procedures as stated in the application.
<input checked="" type="checkbox"/>	Transfer approved Application for Permit to Drill to new operator
<input type="checkbox"/>	The undersigned as owner with legal rights to drill on the property as permitted, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.	Yes	No
If located on private land, has the ownership changed?		✓
<input type="checkbox"/> If so, has the surface agreement been updated?		✓
Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location?		✓
Have there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well?		✓
Have there been any changes to the access route including ownership or right-of-way, which could affect the proposed location?		✓
Has the approved source of water for drilling changed?		✓
Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation?		✓
Is bonding still in place, which covers this proposed well? Bond No. <u>B005639</u>	✓	

Any desired or necessary changes to either a pending or approved Application for Permit to Drill that is being transferred, should be filed on a Sundry Notice, Form 9, or amended Application for Permit to Drill, Form 3, as appropriate, with necessary supporting information as required.

Name (please print) Bruce L. Taylor Title Manager Vice President
Signature *Bruce L. Taylor* Date _____
Representing (company name) Blue Tip Castlegate, Inc.

The person signing this form must have legal authority to represent the company or individual(s) to be listed as the new operator on the Application for Permit to Drill.

(3/2004)

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DIV. OF OIL, GAS & MINING



GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

September 7, 2010

Pioneer Natural Resources USA Inc.
1401 -17th St., Ste. 1200
Denver, CO 80202

Re: APD Rescinded – Jensen 34C-9-12-10, Sec. 9, T. 12S, R. 10E
Carbon County, Utah API No. 43-007-31503


Ladies and Gentlemen:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on July 7, 2009. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective September 7, 2010.

A new APD must be filed with this office for approval prior to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,


Diana Mason
Environmental Scientist

cc: Well File
Brad Hill, Technical Service Manager

